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# National Security Council Document on Policy in Central America and Cuba

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WASHINGTON, April 6—Following is the text of a National Security Council document, "U.S. Policy in Central America and Cuba Through F.Y. '84, Summary Paper," on a meeting of the National Security Planning Group in April 1982.

## I. Interests and Objectives

We have an interest in creating and supporting democratic states in Central America capable of conducting their political and economic affairs free from outside interference. Strategically, we have a vital interest in not allowing the proliferation of Cuba-model states which would provide platforms for subversion, compromise vital sea lanes and pose a direct

military threat at or near our borders. This would undercut us globally and create economic dislocation and a resultant influx to the U.S. of illegal immigrants. In the short run we must work to eliminate Cuban/Soviet influence in the region, and in the long run we must build politically stable governments able to withstand such influences.

## II. The Current Situation

The deterioration in our position so evident 6 to 12 months ago has been halted. Political developments in the region have been positive. The elections in Honduras, Costa Rica and El Salvador provided a strong contrast to an increasingly totalitarian Nicaragua and have stalled the public affairs momentum and the political program of the extreme left. In Guatemala the recent junior officer coup has given us new possibilities for working out an improved relationship with that country. The minicoup in Panama has brought to power a new, more dynamic and more pro-U.S. national guard commander. Regional cooperation among democratic states has improved, as is evident by the formation of the Central American Democratic Community.

Militarily, the situation has improved in El Salvador, where any prospect of a near-term military victory by the F.M.L.N. has been foreclosed and the Salvadoran forces have shown improved capabilities. Regional interdiction efforts have hampered but not stopped guerrilla resupply efforts. The Guatemala coup may cause some erosion in the Government's military capabilities but, in the long run, if the Government is able to address problems of official violence it may prove more effective in carrying out an active counterinsurgency. In Nicaragua, the Sandinistas are under increased pressure as a result of our covert efforts and because of the poor state of their economy. For

the first time the Sandinistas have cause to doubt whether they can export subversion with impunity.

But serious problems remain:

— Guerrilla strength in El Salvador and Guatemala remains at 4-5,000 in each country.

— There is a dangerous lack of political consensus in both El Salvador and Guatemala, which could lead to political disintegration. Continued political, social and institutional reforms must be pursued.

— We continue to have serious difficulties with U.S. public and Congressional opinion, which jeopardizes our ability to stay the course. International opinion, particularly in Europe and Mexico, continues to work against our policies.

— Cuba and Nicaragua retain the ability to continue or even increase their support for insurgencies and terrorist groups, particularly in Honduras and Costa Rica, where their activities are increasing. Panama could become a target.

— Mexico continues public and covert support for the extreme left with propaganda, funds and political support.

— The P.L.O. and Libya continue their military and financial support for the extreme left.

— The regional economic situation continues to deteriorate, causing social and political dislocations which impede our efforts to stabilize the situation.

### III. The Strategy

Our current strategy consists of building a sustained and effective commitment to the region by:

— Improving the military capabilities of the democratic states to counter subversion by the extreme left.

— Improving the economic situation through direct economic assistance and the C.B.I. package.

— Assisting directly in the regional interdiction and intelligence collection effort.

— Increasing the pressure on Nicaragua and Cuba to increase for them the costs of interventionism.

— Building democratic political institutions capable of achieving domestic political support.

— Pursuing reform programs to correct severe social dislocations which foment and aid insurgency.

— Stimulating regional cooperation among democratic states to provide a basis for collective security action through the O.A.S., Rio Treaty and the C.A.D.C.

— Addressing the public affairs dimension of the Central American problem by a concerted public information effort.

— Co-opting cut-and-run negotiation strategies by demonstrating a reasonable but firm approach to negotiations and compromise on our terms.

Most, but not all, the elements necessary to implement this strategy are in place.

D. If Guatemala situation continues to improve we will need some additional resources beyond those levels for economic and security and intelligence assistance.

E. Carry out all N.S.D.D. 17 November 1981 decisions.

F. Further upgrade U.S. intelligence collection and improve internal intelligence capabilities in countries of the region.

G. Substantially upgrade quality of political and economic understanding of the region through augmentation of personnel assigned to those functions.

H. Improve public information effort using themes outlined in State Department paper. Allocate necessary personnel resources.

I. Adopt more active diplomatic campaign to turn around Mexico and Social Democrats in Europe. In the meantime keep them isolated on Central American issues and highlight positive support from Christian Democratic Parties and free trade unions.

J. Build public pressure against Cuba by highlighting human and political rights issue. Use international Cuban community to carry the message.

K. Step up military training efforts in region with emphasis on multilateralization where possible and productive.

L. Increase economic pressure on Cuba. (Consideration to be given to quantum tightening of economic embargo by stronger restrictions on Cuban content from third countries.)

M. Step up efforts to co-opt negotiations issue to avoid Congressionally mandated negotiations, which would work against our interests.

N. Continue to build C.A.D.C. capabilities.

O. Initiate efforts to increase factional strife among guerrilla groups.

P. Push for major amnesty program in El Salvador and Guatemala and publicized informant programs in Costa Rica and Honduras. Make concerted effort to exacerbate factional strife in extreme left.

### IV. Where We Will Be in 1984

Where we stand by the end of FY 1984 will depend on a number of assumptions. We have indicated six situations. Situation 1 outlined below is deemed to be the most probable set of assumptions and outcomes. Situations 2 through 6 are annexed to this paper.

#### Situation 1 (Likely Case)

##### Assumptions

(1) Resource availability at \$1 billion of economic and military assistance a year for the Caribbean Basin.

(2) Significant covert effort as approved in N.S.D.D. 17 and other existing authorities.

(3) No U.S. troops introduced and no significant increase in U.S. trainers.

(4) Incremental increase in Cuban and Nicaraguan effort. No major qualitative changes in types of support.

(5) Increasing effectiveness of the arms interdiction effort but substantial arms continue to get through.

(6) Gradual upturn in world economy with resulting improvement in balance of payments and domestic economies in the basins.

##### Results

###### Regional

— Cuba/Nicaragua influence is slowly reduced.

— The region strengthens economically.

— Regional military and intelligence cooperation among the democratic countries improves.

— Democratic structures are strengthened in a number of countries.

— The C.A.D.C. develops as a significant multilateral actor.

— Swing in regional confidence in our favor.

El Salvador — Armed forces improve, putting guerrillas increasingly on the defensive, but guerrillas continue to have significant capability. Increased friction between guerrilla groups and guerrilla supporters. A National Assembly and presidential elections in 1983. Slow but finite reduction in political and/or indiscriminate violence. U.S. public opinion problems continue in cyclical pattern triggered by six-month certification and by 1984 U.S. elections.

Nicaragua — Nicaragua's isolation increases.

Guatemala — Depending on stability of the region, situation could improve substantially (see issues for decision).

Honduras and Costa Rica — Low-level insurgency remains under control. Serious economic problems create social tensions and increased violence. Terrorism increases but does not reach levels necessary to cause internal collapse.

##### Policy Implications

A. Continue pursuit of strategy outlined in Section III above. Consistency and sticking power are the keys.

B. Maintain funding levels at \$1 billion per year for Basin (economic and military). This will require a \$250-300 million supplemental in F.Y. '83 and active pursuit of the F.Y. '82 supplementals.

C. Make major effort to obtain Congressional approval of F.Y. '82 Caribbean Basin and Security Assistance supplementals to help alleviate critical short-term economic problems in the region, to prevent military setbacks in El Salvador between now and October and to assure continued cooperation from Honduras.

### V. Issues for Decision

As noted in Section III above, the key elements of our policy are in place. However, the following addi-

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tional issues should be addressed:

A. Resource Levels (F.Y. '82): The Situation 1 scenario outlined above is predicated on a resource commitment level of one billion dollars per year through (and probably beyond) F.Y. '84. The F.Y. '82 program to include security and economic assistance, C.B.I. and security supplementals and the use of 508 authority will total about one billion dollars. If the supplemental requests are not approved our programs will be seriously jeopardized.

Decision: To make a maximum effort under White House direction to obtain Congressional approval for these supplemental requests.

B. Resource Levels (F.Y. '83): Our F.Y. '83 budget request will fall about \$300 million short of the one billion level (in 1982 dollars).

No decision is needed now but early in F.Y. '83 the funding shortfall problem will have to be addressed.

C. Resource Level (personnel): Vital political, military and economic reporting from Central America has been seriously constrained by a lack of personnel resources.

Decision: That the global ceiling on personnel strength in the State Department be increased by 33 positions (above F.Y. '82 supplemental and F.Y. '83 budget levels) to provide additional resources to the public information effort and to augment political and economic reporting in the region. Similarly, that D.O.D. resources in the area be reviewed for adequacy and augmented as necessary.

D. Resource Levels (Guatemala): Additional F.Y. '82 and F.Y. '83 assistance will be needed to demonstrate support for the new Government and to assist it in dealing with its insurgency.

Decision: That up to \$50,000 in IMET be reprogrammed to Guatemala in F.Y. 1982. That F.M.S. cash sales to Guatemala be authorized immediately. That up to \$10 million in F.M.S. credits be reprogrammed to Guatemala in F.Y. '83.

E. Resource Levels (Guatemala Interdiction): Immediate steps are needed to implement an arms interdiction program in Guatemala as provided by the 9 March 1981 Presidential Finding on Central America.

Decision: that the Central Intelligence Agency's authority under the 9 March 1981 Presidential Finding be increased from \$19.5 million to \$22.0 million in order that an expanded program in Guatemala be initiated this fiscal year. These funds should be obtained, if possible, from the C.I.A.'s Reserve for Contingencies.

F. Intelligence Efforts: Despite major improvements in collection, much more needs to be done.

Decision: That D.O.D. and C.I.A. be tasked with further improvements in intelligence collection efforts in the region with an emphasis on the development of intelligence capabilities in each of the democratic countries of the region.

G. Public and Congressional Information: Further improvements are needed.

Decision: That, under the auspices of the White House, the public information effort be augmented and targeted on improving communication with the Congress and with opinion leaders.

H. N.S.D.D. 17: Not all provisions of N.S.D.D. 17 have been implemented.

Decision: To reaffirm the continued validity of N.S.D.D. 17 and task full implementation thereof.